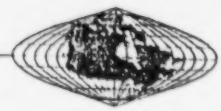
CORPORATION OF THE CITY OF BROCKVILLE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

THORNE RIDDELL

Chartered Accountants



AUDITORS' REPORT

To: The Members of Council, Inhabitants, and Ratepayers
of the Corporation of the City of Brockville

We have examined the consolidated balance sheet of the Corporation of the City of Brockville as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

THORNE RIDDELL
Chartered Accountants
Licence No. 1086

Brockville, Canada
April 4, 1986

CORPORATION OF THE CITY OF BROCKVILLE

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1985

	1985	1984
ASSETS		
Unrestricted		
Cash	$ 863,764	$ 453,926
Taxes receivable	841,646	883,904
Accounts receivable	1,298,090	1,568,645
Other current assets	291,819	218,860
	3,295,319	3,125,335
Restricted		
Cash	2,512,575	2,292,603
Investments		18,500
Accounts receivable	31,673	282,061
	2,544,248	2,593,164
CAPITAL OUTLAY FINANCED BY LONG TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS	8,094,823	8,927,614
	$13,934,390	$14,646,113
LIABILITIES		
Temporary loans		$ 72,521
Accounts payable and accrued liabilities	$ 1,476,078	1,950,572
	1,476,078	2,023,093
Net long term liabilities (note 3)	8,094,823	8,927,614
FUND BALANCES AT THE END OF THE YEAR (note 4)		
Revenue fund		
To be used to offset taxation or user charges	27,526	16,918
Capital fund		
Unexpended capital financing	802,090	551,408
Reserves	999,667	639,398
Reserve funds	2,534,206	2,487,682
	$13,934,390	$14,646,113

Contingent long term liabilities (note 11)

The accompanying notes are an integral part of this financial statement

CORPORATION OF THE CITY OF BROCKVILLE

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985

	Revenue Fund							
	Budget	Actual	Reserve Fund Actual	Reserves Actual	Capital Fund Actual	Inter-fund Eliminations for Consolidation	1985 Consolidated Actual	1984 Consolidated Actual
FUND BALANCES AT THE BEGINNING OF THE YEAR	$ 13,965	$ 16,918	$2,487,682	$639,398	$ 551,408		$3,695,406	$ 3,176,872
SOURCES OF FINANCING								
Taxation and user charges								
Residential and farm taxation	7,681,489	7,716,027					7,716,027	7,334,812
Commercial, industrial and business	9,543,027	9,655,642					9,655,642	8,862,257
Taxation from other governments	418,295	414,315					414,315	404,276
User charges	1,460,474	1,268,587	45,318				1,313,905	1,353,019
Grants								
Government of Canada	56,552	77,658					77,658	94,063
Province of Ontario	4,541,640	4,189,589			616,802		4,785,441	5,303,771
Other								
Contributions from developers		119,714	13,907				133,621	20,880
Investment income	494,000	544,829	207,857	1,293	86,037		840,016	850,292
Other	79,994	136,436	131,561		176,168		465,115	256,860
Donations		325	435		85,000		85,760	278,200
Appropriations								
Current fund			550,547	176,250	1,424,940	$(2,151,737)		
Reserves and reserve funds	34,600	80,590			1,090,015	(1,170,605)		
Capital fund			420,369			(420,369)		
Financial fiscal policy	130,000	130,000		387,726		(517,726)		
Proceeds from issue of long term liabilities					424,499		424,499	886,870
	24,440,071	24,333,712	1,369,994	565,269	3,903,461	(4,260,437)	25,911,999	25,645,300
Deduct: Taxation received or receivable for school boards	7,133,080	7,182,224					7,182,224	6,689,468
	17,306,991	17,151,488	1,369,994	565,269	3,903,461	(4,260,437)	18,729,775	18,955,832
EXPENDITURES								
General government	1,615,841	1,483,971	58,122	205,000	133,906	(471,805)	1,409,194	1,130,502
Protection to persons and property	4,098,390	4,137,076	96,169		592,180	(1,042,405)	3,783,020	3,427,082
Transportation services	4,114,529	3,958,668	520,993		1,958,492	(1,100,193)	5,337,960	4,591,328
Environmental services	2,498,272	2,527,782	176,312		455,262	(638,533)	2,520,823	3,041,560
Health services	209,692	187,395				(4,000)	183,395	192,495
Social and family services	2,120,943	1,576,654	47,204		1,757	(48,961)	1,576,654	1,785,275
Library	332,875	372,482	2,682		8,338	(8,338)	375,164	346,264
Recreation and cultural services	1,839,692	1,918,150	64,248		336,395	(312,066)	2,006,727	2,831,971
Planning and development	490,722	590,976	357,740		166,449	(246,410)	868,755	1,090,821
	17,320,956	16,753,154	1,323,470	205,000	3,652,779	(3,872,711)	18,061,692	18,437,298
Surplus transferred to financial fiscal policy reserve		387,726				(387,726)		
	17,320,956	17,140,880	1,323,470	205,000	3,652,779	(4,260,437)	18,061,692	18,437,298
FUND BALANCES AT THE END OF THE YEAR (note 4)	$ NIL	$ 27,526	$2,534,206	$999,667	$ 802,090	$ NIL	$ 4,363,489	$ 3,695,406

The accompanying notes are an integral part of this financial statement.

CORPORATION OF THE CITY OF BROCKVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds, capital fund and includes the activities of all committees of Council and the following local boards:

Brockville Public Library Board
Board of Management, Downtown Business Improvement Area

All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve funds and other funds of the municipality.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the municipality and those local boards described in note 1 (a)(i).

All interfund sources of financing and expenditures are eliminated with the exception of interest income and expense arising from loans and advances between the reserve funds and other funds of the municipality.

(iii) Non-consolidated Entities

The following entities are not consolidated, except to the extent of amounts due to or from these entities and contributions by the municipality to these entities:

The Brockville Public Utilities Commission
Leeds, Grenville and Lanark District Health Unit
St. Lawrence Lodge

(iv) School Boards

The taxation and other revenues with respect to the operations of the school boards are reflected in the "consolidated statement of operations" but with no effect on the municipal fund balances since the total is shown as a deduction.

In addition the expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements except to the extent that overlevies (underlevies) are reported on the "consolidated balance sheet" as "other current liabilities"("other current assets").

CORPORATION OF THE CITY OF BROCKVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES (continued)

(a) Basis of Consolidation (continued)

(v) Trust funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "trust funds statement of continuity and balance sheet".

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities and liability for vested sick leave benefits which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets acquired are reported as an expenditure on the consolidated statement of operations in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported on the consolidated statement of operations as they are paid.

(iv) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "consolidated balance sheet".

(v) Principal payments on long term debt for municipal purposes are reported as an expenditure on the "consolidated statement of operations".

(vi) The charges for long term liabilities assumed by non-consolidated entities are not reflected in the financial statements.

2. NONACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made the municipal fund balances as at December 31, 1985 would have been decreased by $382,059 (1984, $364,286).

3. NET LONG TERM LIABILITIES

	1985	1984
(a) The balance of net long term liabilities reported on the "consolidated balance sheet" is made up of the following:		
Total long term liabilities incurred by the municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amounted to	$11,205,666	$12,082,590
In addition, the municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year the outstanding principal amount of this liability is	255,525	290,077
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards, municipal enterprises, utilities and other municipalities. At the end of the year the outstanding principal amount of this liability is	(3,366,368)	(3,445,053)
Net long term liabilities at the end of the year	$ 8,094,823	$ 8,927,614

(b) Principal due on net long term liabilities is summarized as follows:

	1986 to 1990	1991 to 1995	Total
From general municipal revenues	$6,266,137	$1,532,467	$7,798,604
From benefitting landowners	288,219	8,000	296,219
	$6,554,356	$1,540,467	$8,094,823

(c) Approval of the Ontario Municipal Board has been obtained for the long term liabilities in (a), issued in the name of the municipality.

4. FUND BALANCES AT THE END OF THE YEAR

(a) The fund balances on the "consolidated statement of operations" of $4,363,488 (1984, $3,695,406) at the end of the year are comprised of the following:

	1985	1984
Revenue fund		
To be used to offset taxation		
- for general reduction of taxation	$ 5,637	$ 1,742
- for benefitting landowners related to special charges and special areas	21,889	15,176
	$ 27,526	$ 16,918
Capital fund		
Unexpended capital financing		
- acquisition of fixed assets to be recovered through taxation or user charges	$(14,892)	$(30,221)
- acquisition of fixed assets to be financed from the proceeds of long term liabilities		(101,288)
- funds available for acquisition of fixed assets	816,982	682,917
	$802,090	$551,408
Reserves set aside by Council		
- for inventory	$ 225,000	$ 75,000
- for working capital	172,473	146,223
- to reduce future taxation (financial fiscal policy)	602,194	418,175
	$ 999,667	$ 639,398
Reserve funds set aside by Council		
- for acquisition of fixed assets	$1,821,636	$1,650,246
- to reduce future taxation (specific financial fiscal policy)	479,354	558,310
	2,300,990	2,208,556
Reserve funds set aside for specific purpose by legislation, regulation or agreement		
- for parkland	15,260	12,665
- for repayment of debt	175,030	221,904
- for other purposes	42,926	44,557
	233,216	279,126
	$2,534,206	$2,487,682

(b) Approval of the Ontario Municipal Board has been obtained for the pending issue of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

5. OPERATIONS OF SCHOOL BOARDS

Further to note 1(a)(iv), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards are comprised of the following:

	1985	1984
Taxation and user charges	$7,113,523	$6,623,779
Grants	68,701	65,689
Amounts received or receivable	7,182,224	6,689,468
Requisitions	7,180,662	6,679,028
Overlevies for the year	1,562	10,440
Overlevies (underlevies) at the beginning of the year	6,623	(3,817)
Overlevies at the end of the year	$ 8,185	$ 6,623

These revenues and expenditures are not reflected in the "consolidated statement of operations".

The overlevies at the end of the year are reported as other current liabilities on the "consolidated balance sheet".

6. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to note 1(a)(iii), the assets and liabilities of unconsolidated joint boards have not been consolidated and are not reported on the "consolidated balance sheet", except to the extent of the long term liabilities to be recovered from general taxation.

The operations of these joint boards have also not been consolidated. The "consolidated statement of operations" includes only the following contributions made by the municipality to these boards:

	1985	1984
Leeds, Grenville and Lanark District Health Unit	$ 87,798	$ 93,097
St. Lawrence Lodge	90,723	110,462
	$178,521	$203,559

The municipality's share of the accumulated surpluses to the end of the year for these boards is as follows:

	1985	1984
Leeds, Grenville and Lanark District Health Unit	$ 15,792	$ 12,285
St. Lawrence Lodge	243,250	270,119
	$259,042	$282,404

The municipality is also contingently liable for its share as follows, which is approximately 37% of the long term liabilities issued by other municipalities for these boards.

	1985	1984
Leeds, Grenville and Lanark District Health Unit	$ 46,708	$ 91,818
St. Lawrence Lodge	494,475	564,923
	$541,183	$656,741

7. TRUST FUNDS

Trust funds administered by the municipality amounting to $306,945 (1984, $277,553) have not been included in the "consolidated balance sheet" nor have their operations been included in the "consolidated statement of operations".

8. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities which are reported on the "consolidated statement of operations" are as follows:

	1985	1984
Principal payments, including contributions to sinking funds and to the Ministry of Environment debt retirement fund	$1,370,624	$1,848,800
Interest	1,185,053	1,166,167
	$2,555,677	$3,014,967

9. LIABILITY FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

Under the past service provision of pension agreements, the municipality is obligated at December 31, 1985 for an amount of approximately $348,251 (1984, $384,388) as established for the plans. This liability has been reflected as part of net long term liabilities and will be funded from future years' taxation. An amount of $66,889 (1984, $66,889) has been provided for in the current year and is reported on the consolidated statement of operations.

10. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment. Certain employees have begun to participate in a long term disability plan and agree to no longer accumulate unused sick leave.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating are as follows:

	1985	1984
(a) Employees who cannot accumulate any further unused sick leave and have agreed to receive the cash payment at $50,000 per year on a pro rata basis	$ 54,063	$107,070
(b) Employees who cannot accumulate any further unused sick leave and have agreed to defer receipt of their cash payment until they cease employment with the City of Brockville	430,112	442,988
(c) Employees who may continue to accumulate further unused sick leave	446,671	410,066
	$930,846	$960,124

No provision has been made for this liability in the consolidated balance sheet. An amount of $146,336 (1984, $134,090) has been accumulated towards this past service liability and is included among the reserve funds.

11. CONTINGENT LONG TERM LIABILITIES

The municipality is contingently liable for long term liabilities with respect to those for which the responsibility for the payment of principal and interest has been assumed by other municipalities, school boards and unconsolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 1985 is $3,366,368 (1984, $3,445,053) and is not recorded on the consolidated balance sheet.

CORPORATION OF THE CITY OF BROCKVILLE

TRUST FUNDS FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

THORNE
RIDDELL
Chartered Accountants

AUDITORS' REPORT

To: The Members of Council, Inhabitants and Ratepayers
of the Corporation of the City of Brockville

We have examined the balance sheet of the trust funds of the Corporation of the City of Brockville as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary, except as described in the following paragraph.

In our opinion, these financial statements present fairly the financial position of the trust funds for the Corporation of the City of Brockville as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Brockville, Canada
April 4, 1986

THORNE RIDDELL
Chartered Accountants
Licence No. 1086

CORPORATION OF THE CITY OF BROCKVILLE

TRUST FUNDS

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 1985

	Butterfield	General Protestant Cemetery	Edgar Robinson	DBIA Street Lighting	1985 Total	1984 Total
Balance at the beginning of the year	$37,334	$198,165	$39,282	$ 2,772	$277,553	$336,104
Capital receipts						
Plot sales		13,405			13,405	8,507
Investment income	3,987	20,618	2,563	252	27,420	28,589
Other revenue						59,802
	3,987	34,023	2,563	252	40,825	96,898
Expenditures	50	11,381	2		11,433	155,449
Balance at the end of the year	$41,271	$220,807	$41,843	$ 3,024	$306,945	$277,553

BALANCE SHEET

AS AT DECEMBER 31, 1985

ASSETS						
Cash	$40,983	$219,108	$41,843	$ 3,003	$304,937	$245,658
Investments, at cost (market value $11,000)						
Canada						
Municipal - own debentures		11,000			11,000	41,832
Accrued interest receivable	288	1,538		21	1,847	1,520
Accounts receivable		542			542	
	$41,271	$232,188	$41,483	$ 3,024	$318,326	$289,010
LIABILITIES						
Accounts payable and accrued liabilities		$ 11,381			$ 11,381	$ 11,457
Balance - capital	$ 8,650	209,428	$33,977		252,065	252,065
- income	32,621	11,379	7,866	$ 3,024	54,880	25,488
	$41,271	$232,188	$41,843	$ 3,024	$318,326	$289,010

The accompanying note is an integral part of this financial statement

CORPORATION OF THE CITY OF BROCKVILLE

TRUST FUNDS

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Basis of Accounting

(i) Capital receipts, revenues and expenditures are reported on the accrual basis of accounting.

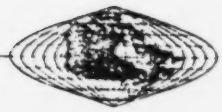
(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

DOWNTOWN BUSINESS IMPROVEMENT AREA OF THE
CORPORATION OF THE CITY OF BROCKVILLE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

THORNE RIDDELL
Chartered Accountants



AUDITORS' REPORT

To: The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville

We have examined the consolidated balance sheet of the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

THORNE RIDDELL
Chartered Accountants
Licence No. 1086

Brockville, Canada
April 4, 1986

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA
OF THE CORPORATION OF THE CITY OF BROCKVILLE

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1985

	1985	1984
ASSETS		
Restricted		
Cash	$ 26,195	$ 24,526
Accounts receivable	184	172
Receivable from City of Brockville	5,586	
	31,965	24,698
CAPITAL OUTLAY FINANCED BY LONG TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS	120,000	135,000
	$151,965	$159,698
LIABILITIES		
Payable to the City of Brockville		$ 6,713
Accounts payable and accrued liabilities		510
		7,223
Net long term liabilities	$120,000	135,000
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset (to be recovered from) taxation or user charges in subsequent years		(6,713)
Reserve fund set aside by council for downtown beautification	31,965	24,188
	$151,965	$159,698

The accompanying notes are an integral part of this financial statement

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA
OF THE CORPORATION OF THE CITY OF BROCKVILLE

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Fund balance at the beginning of the year	$ 2,000	$ (6,713)	$ 49,000
Sources of financing			
Taxation and user charges			
Commercial, industrial and business taxation	89,940	101,608	84,085
Grants			
Government of Canada	8,500	18,846	7,493
Province of Ontario			2,503
Interest income		2,192	692
Other	63,636	5,304	46,184
	162,076	127,950	140,957
Expenditures			
Current			
Salaries and benefits	34,104	39,221	30,202
Materials, supplies and services	113,472	57,739	116,494
Debt charges	16,500	16,500	16,500
	164,076	113,460	163,196
Capital			
Streetlighting improvements			9,286
Net appropriations to reserve funds	,	7,777	24,188
	164,076	121,237	196,670
Fund balance to be used to offset (to be recovered from) charges at the end of the year	$ NIL	$ NIL	$ (6,713)

The accompanying notes are an integral part of this financial statement

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA
OF THE CORPORATION OF THE CITY OF BROCKVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985

1. BASIS OF ACCOUNTING

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the period from the date of the latest instalment payment to the end of the financial year. Any provision, had one been made for the accrual of interest on long term liabilities, would not have been material.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable, expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the consolidated statement of operations in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported on the consolidated statement of operations as they are paid.

(iv) Capital outlay to be recovered in future years

Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "consolidated balance sheet".

2. NET LONG TERM LIABILITIES

(a) Of the net long term liabilities reported on the balance sheet, $75,000 in principal payments are payable from 1986 to 1990 and $45,000 from 1991 to 1995, all from general municipal revenues.

(b) Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the consolidated balance sheet.

3. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities which are reported on the consolidated statement of operations amount to principal of $15,000 and interest of $1,500.